GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4499
ANSWERED ON:24.04.2008
SETTING UP OF CRUDE OIL RESERVES BY THE PRIVATE SECTOR
Singh Shri Rajiv Ranjan (Lalan);Singh Shri Suraj

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a)whether it is necessary to open the crude oil reserves to private sector for increasing the production which was restricted to the Government organization, till date;

(b) if so, the reaction of the Government thereto: (

(c)whether any final decision has been taken by the Government in this regard; and

(d) if so, the details thereof and the time by which this decision is proposed to be implemented?

Answer

Minister of State in the Ministry of PETROLEUM & NATURAL GAS(SHRI DINSHA PATEL)

(a)to(d)Hydrocarbon exploration is a capital intensive and knowledge based industry. In order to accelerate exploration in the country, Government of India approved the New Exploration & Licensing Policy (NELP) in 1997 and it became effective in February, 1999. Since then licenses for exploration are being awarded only through a competitive bidding system and National Oil Companies (NOCs) are required to compete on an equal footing with Indian and foreign companies to secure Petroleum Exploration Licenses (PELs). Six rounds of bids have so far been invited under NELP, in which 162 exploration blocks have been awarded. In addition, 28 exploration blocks were signed prior to NELP. Under NELP, 58 oil and gas discoveries have already been made in Cambay onland, North East Coast, Cauvery and Krishna-Godavari deepwater areas, for which, development plans by the operators, viz., Cairn, Reliance Industries Limited (RIL) and Niko are in progress. After i mplementation of NELP, no exploration block was awarded on nomination basis to any company. Under seventh round of NELP which was launched on 13th December 2007, Government is offering 57 exploration blocks. Bid closing date is 16th May 2008.